



Lachmann and the existence of multiple natural interest rates

Submitted by David Cayla on Fri, 07/21/2017 - 17:38

Titre	Lachmann and the existence of multiple natural interest rates
Type de publication	Communication
Type	Communication sans actes dans un congrès
Année	2017
Langue	Anglais
Date du colloque	11-13/04/2017
Titre du colloque	Symposium WINIR 2017: "The legacy of Ludwig Lachmann"
Auteur	Laurentjoye, Thibault [1], Cayla, David [2]
Pays	Afrique du Sud
Ville	Johannesburg
Mots-clés	austrian economics [3], equilibrium [4], Hayek [5], History of economic thought [6], natural rate of interest rates [7], Sraffa [8], Wicksell [9]
Résumé en anglais	<p>In this article, we provide a re-examination of Ludwig Lachmann's take on the controversy between Piero Sraffa and Friedrich von Hayek, which took place after the publication of the latter's <i>Prices and Production</i> in 1931. Initially an ally of Hayek, Lachmann also immensely respected Sraffa. As a result, Lachmann provided a review critical of both sides. A particularly interesting point is that Lachmann questioned an assertion made by Sraffa in his initial review, and approved by Hayek in his reply, according to which in a barter economy there could be as many Wicksellian natural interest rates as there are commodities. Drawing partly on Sraffa's 1960 book <i>Production of Commodities per means of Commodities</i>, Lachmann showed that there should be only one natural interest rate, since relative prices should reflect the discrepancy between the various 'own rates of interest' pertaining to each commodity. Moreover, Sraffa criticised Hayek for not acknowledging the full extent of the role of money in an economy, using the example of wages being paid in money to show that not only is money not neutral, but it also constitutes a fundamental institutional aspect of the way economic flows are organised. Sraffa's argument could be turned against him, as it could be argued that since lending takes place in money, the rate of interest charged on loans should not have to be equal to any of the commodity own rates of interest in the economy. Instead, the rate of interest should be based on Sraffa's composite commodity from his 1960 opus. The only situation in which interest rates could vary depending on commodities, would be if expectations regarding productivity and upcoming prices and output varied among economic agents. Interestingly, this line of reasoning is very close to Lachmann's radical subjectivism.</p>
URL de la notice	http://okina.univ-angers.fr/publications/ua16107 [10]
Lien vers le document en ligne	http://winir.org/?page=past_events&side=symposium_2017&sub=programme [11]

Liens

- [1] <http://okina.univ-angers.fr/publications?f%5Bauthor%5D=26994>
- [2] <http://okina.univ-angers.fr/david.cayla/publications>
- [3] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=20935>
- [4] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=23277>
- [5] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=21407>
- [6] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=23279>
- [7] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=23278>
- [8] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=23275>
- [9] <http://okina.univ-angers.fr/publications?f%5Bkeyword%5D=23276>
- [10] <http://okina.univ-angers.fr/publications/ua16107>
- [11] http://winir.org/?page=past_events&side=symposium_2017&sub=programme

Publié sur *Okina* (<http://okina.univ-angers.fr>)